

## REMARKS

Applicants have carefully studied the outstanding Official Action. The present amendment is intended to be fully responsive to all points of rejection and is believed to place the application in condition for allowance. Favorable reconsideration and allowance of the present application are hereby respectfully requested.

The Examiner's indication that claims 15 - 25 are allowed is gratefully acknowledged.

The Examiner's indication that claims 12 and 14 would be allowable if rewritten in independent form, including the limitations of the base claim and any intervening claims, is also gratefully acknowledged.

The Examiner's indication that claim 27 would be allowable if rewritten to overcome a minor claim objection is also gratefully acknowledged.

The Examiner objected to the Abstract as being in improper form. The Abstract has been amended in order to overcome the Examiner's objection.

The Examiner objected to the specification as it contains a public domain ([www.mondex.xom](http://www.mondex.xom) and [www.mondexusa.com](http://www.mondexusa.com)). Applicants respectfully call the Examiner's attention to MPEP 608.01 (Hyperlinks and Other Forms of Browser Executable Code in the Specification), which allows domain names in the form used in the specification. Nevertheless, should the Examiner maintain the objection, applicants would consent to an Examiner's Amendment removing the reference.

The Examiner objected to claim 27 because of the informality of the included phrase "respectfully submitted". Claim 27 has been amended to overcome the objection of the Examiner.

Claims 9 and 11 stand rejected under 35 USC 112 as being indefinite. In order to overcome the rejection, Applicants have amended claims 9 and 11 to adopt the language suggested by the Examiner.

Claims 1 - 11, 13 and 26 stand rejected under 35 USC 103(a) as being unpatentable over Sehr. Although the Examiner did not explicitly state

which US Patent to Sehr forms the basis for the rejection, it appears that the intended patent is US Patent 6,325,292.

US Patent 6,325,292 describes a system whereby a portable device stores, processes, and communicates data and electronic payments.

Applicants do not necessarily agree with the Examiner's interpretation of US Patent 6,325,292. Nevertheless, in order to expedite allowance of the present application, claim 1 has been amended to include the recitation of claim 12, indicated as allowable by the Examiner if rewritten in independent form. Claim 1 is therefore deemed allowable. Applicants reserve the right to pursue claim 1 in its original form in the context of a continuation application.

Claims 2 - 11 depend directly or indirectly from amended claim 1 and recite additional patentable subject matter. Claims 2 - 11 are therefore deemed allowable.

Claim 26 has been amended similarly to claim 1 and is therefore deemed allowable with reference to the above discussion of amended claim 1.

New claims 28 - 40 have been added.

Claim 28 corresponds to claim 14, indicated by the Examiner as allowable if rewritten in independent form, including the limitations of the base claim and any intervening claims. Claim 28 is therefore deemed allowable.

New claims 29 - 39 correspond to originally filed claims 2 - 11 and 13, respectively.

As discussed above, the Examiner rejected claims 9 and 11 as indefinite. New claims 36 and 38, which correspond respectively to claims 9 and 11, have been corrected similarly to the amendment to claims 9 and 11.

New claims 29 - 39 depend directly or indirectly from new claim 28 and recite additional patentable subject matter. Claims 29 - 39 are therefore deemed allowable.

New claim 40 is a method claim corresponding to new apparatus claim 28. New claim 40 is therefore deemed allowable with reference to the above discussion of new claim 28.

Applicants have carefully studied the other prior art of record including: US Patents 5,566,327, 6,085,976, and 6,386,451 to Sehr; and US Patent 6,442,532 to Kawan.

US Patent 5,566,327 describes a networked system for on-line and off-line operation comprising authenticating entities, tracking and maintaining data from a database, and securing said data.

US Patent 6,085,976 describes a system of cards issued to travelers comprising information stored on the card including travel permits, and enabling storing of other card based applications.

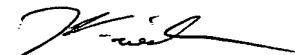
US Patent 6,386,451 describes a system similar to that described in US Patent 6,085,976, wherein passport data is loaded onto the card.

US Patent 6,442,532 describes a wireless system wherein smart cards are utilized to verify transactions, and to maintain a secure record of available funds.

Applicants find that the present invention as claimed is neither described nor suggested in the prior art of record, taken either individually or in combination.

In view of the foregoing remarks, it is respectfully submitted that the present application is now in condition for allowance. Favorable reconsideration and allowance of the present application are respectfully requested.

Respectfully submitted,



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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re: Application of: KIPNIS et al

Serial No. : 09/490,540

Filed : 25 January, 2000

For : PORTABLE TRANSACTION DEVICE

Group Art Unit: 3628

Examiner: T. H. Bui

Hon. Commissioner for Patents

Washington, DC 20231

Sir:

The following is a marked-up version of the Abstract and of the claims amended in the accompanying amendment:

In the Abstract:

--A portable transaction device including transaction apparatus operative to participate in a monetary transaction, authorization apparatus operative to authorize the transaction apparatus to operate based on stored authorization parameters, and control apparatus operative to store the stored authorization parameters based on user input. The stored authorization parameters include at least one of the following: an identity of a user, a time period, and a distance.[

]Related apparatus and methods are also provided.--

In the claims:

1. (Amended) A portable transaction device comprising:

transaction apparatus operative to participate in a monetary transaction;

authorization apparatus operative to authorize the transaction apparatus to operate based on stored authorization parameters, the stored authorization parameters comprising at least one of the following:

an identity of a user;

a time period; and

a distance; and

control apparatus operative to store the stored authorization parameters based on user input,

and wherein the time period comprises a time period during which a user is authorized to use the portable transaction device.

9. (Amended) A portable transaction device according to claim 2 and wherein the authentication apparatus also comprises:

authorization identity receiving apparatus operative to receive a signal indicating that a new user is to be considered as an authentic authorization control user and to store an identity of the new authorization control user in the storage apparatus.

11. (Amended) A portable transaction device according to claim 2 and wherein the storage control apparatus is operative to store an identity of at most one authentic authorization control user, and

the authentication apparatus also comprises:

authorization identity receiving apparatus operative to receive a signal indicating that a new user is to be considered as an authentic authorization control user and to store an identity of the new authorization control user in the storage apparatus.

26. (Amended) A method for use with a portable transaction device, the method comprising:

- providing transaction apparatus operative to participate in a monetary transaction;

- authorizing the transaction apparatus to operate based on stored authorization parameters, the stored authorization parameters comprising at least one of the following:

- an identity of a user;

- a time period; and

- a distance; and

- storing the stored authorization parameters based on user input,

- and wherein the time period comprises a time period during which a user is authorized to use the portable transaction device.

27. (Amended) A method for use with a portable element, the method comprising:

- providing a portable element;

- authorizing use of the portable element in accordance with at least one of the following authorization parameters:

- at least one defined period of time;

- a defined distance from a specified location;

- at least one defined type of transaction;

- at least one type of transaction meeting a predefined criterion; and

- at least one authorized person authorized to use the portable element.

[Respectfully submitted,]